



STATE OF DELAWARE
STATE BOARD OF PENSION TRUSTEES
AND
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BOARD OF PENSION TRUSTEES
MEETING MINUTES OF MAY 21, 2021

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, Chair, at 9:01 a.m. via-video and tele-conferencing.

Trustees Present

Suzanne Grant
Art Agra
Harold Stafford
Nancy Shevock
Rick Geisenberger
Cerron Cade

Trustees Absent

Tom Shaw

Others Present

Joanna Adams, Pension Administrator
Jodie Wedel, Deputy Pension Administrator
Ann Marie Johnson, Deputy Attorney General
Ryan Connell, Deputy Attorney General
Jamie Mayan, Pension Office
Josh Hitchens, Pension Office
Khairat Makanjuola, Pension Office
Stephenie Tatman, Pension Office
Cindy Starr, Pension Office
Mary Wood, Pension Office
Rob Gooderham, Windmark
Garry Musto, Windmark
Joe Malloy, Pension Advisory Council
Cyril Espanol, Pageant Media

1. OPENING COMMENTS

S. Grant welcomed everyone to the meeting.

2. APPROVAL OF THE MINUTES

The Trustees reviewed the Public Minutes of the April 30, 2021 meeting.

MOTION made by A. Agra and seconded by N. Shevock to approve the Public Minutes of the April 30, 2021 Board of Pension Trustees' meeting with changes as noted.

MOTION ADOPTED UNANIMOUSLY

The Trustees reviewed the Executive Minutes of the April 30, 2021 meeting.

MOTION made by N. Shevock and seconded by A. Agra to approve the Executive Minutes of the April 30, 2021 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

3. AUDIT COMMITTEE UPDATE

H. Stafford reported at the Audit Committee Meeting BDO wrap up summary was unmodified; clean opinion will be submitted. Audit Committee has approved the Audit and the next meeting is July 23rd.

4. GOVERNANCE COMMITTEE UPDATE

Ms. Adams reported the last meeting was May 14th and the next meeting is August 18th.

5. PENSION ADVISORY COUNCIL UPDATE

Nothing to report.

6. PENSION ADMINISTRATOR UPDATE

Employee Recognition

In May, OMB celebrated Public Service Recognition Week. OMB held a virtual celebration and distributed employee recognition gifts to staff.

Ms. Adams reported over the last year a group of individuals updated all Pension Office forms to make them look more professional in a standardize format with consistency throughout. The forms are in a PDF-fillable format. Ms. Adams wanted to recognize Emily Nelson, Bobby Burlingame, Michele Davis, Kristal Diaz, Cassidy Ramsey, Michelle Eisenbrey, Kim Bratten, Mary Wood, Elaine Laboda, Dena Fry, Julye Covell, Amy Cole, Tammy Donovan, Robin Hartnett-Sterner, Dan Pope, Eddie Sparpaglione, and Jodie Wedel.

Positions

Ms. Adams reported the State Accountant II position second interviews will be next week. The Administrative Assistant II and the Office Manager position will be reclassified. This process may take a few months, and the HRIS III is vacant because of an in-office promotion. The Human Resources Specialist I position requests to fill have also been submitted.

Office Activities

Ms. Adams reported the office activities are normal this month. The standard Human Resources course, Pen-App course and Understanding Your State Pension course will be presented.

Reporting Schedule

Ms. Adams stated that nothing has changed, but the meeting dates have been updated.

Ms. Adams also reported on the plans for the office to return to work. Masks are to be worn in state buildings and staff are expected to remain 3 feet apart. When staff return to the office full-time, telecommuting will continue to be allowed but just not full-time. There is a possibility that the September board meeting could be held in person.

Legislation

Ms. Adams reported on Senate Bill 74. This Act relates to the police and fire pension fund provisions of Chapter 7, Title 18 of the Delaware Code. The Act clarifies that an eligible retiree must be alive on July 1 of each biennial payout year in order to receive the payment provided for in Section 708 of Chapter 7. SB 74 was passed by the Senate and was recently out of committee with the House.

Ms. Adams also noted House Bill 79. This Act provides that the amount of ordinary or disability pension payable to a 9-1-1 operator includes 2.45% of the 9-1-1 operator's final average compensation multiplied by years of service above 25 years, the same multiplier as applied to correctional officers and specified peace officers. Has passed the House and is going to the Senate.

Senate Bill 14. This bill provides a mechanism to grant pension increases to retired State Employees, retired Judges, and retired "New" State police. This bill dedicates a minimum of 3.0% of payroll to be deposited annually to the Post Retirement Fund. The bill also provides for biennial pension increases beginning July 1, 2021. This legislation increases the unfunded liability by \$1 billion and was released from committee the day before. Is now assigned to the Finance Committee.

7. DEPUTY ATTORNEY GENERAL UPDATE

Ms. Johnson reported the Rules and Regulations are under review by the legislative counsel and should be posted in June.

8. INVESTMENT COMMITTEE UPDATE

Mr. Gooderham reported that global equity markets advanced in April amid generally strong economic data, accelerating vaccinations, rising corporate earnings expectations and ongoing stimulus tailwinds. The broad US equity market, as measured by the Russell 3000 index, gained 5.2%. In contrast to the first quarter, growth outperformed value and large cap outpaced small cap in the month. International equity performance was aided by a weaker US dollar though returns lagged US stocks as the MSCI EAFE index advanced 3.0% and the MSCI Emerging Markets index was up 2.5%. Fixed income market performance was also positive for the month as interest rates declined, despite strong economic data, and credit spreads narrowed. For the month, the broad Bloomberg Barclays Universal index was up 0.8% and the more credit-sensitive Bloomberg Barclays High Yield index gained 1.1%.

Mr. Gooderham reported that DPERS Fund assets are estimated to be \$14,117.8 million at April 30th, 2021, representing a net increase of \$457.4 million during the month. Estimated returns through April 30th, 2021 are as follows:

	Month Ended 04-30-21	Calendar YTD 04-30-21	Fiscal YTD 04-30-2021	1 Year Ended 04-30-21
Total Fund	3.6	10.7	32.8	38.3
DPERS Policy Benchmark**	3.4	6.2	23.1	29.5
S&P 500 Index	5.3	11.8	36.6	46.0

** Benchmark mix of: 43% Russell 3000 Index, 23% MSCI ACWI ex US IMI (Net), 31.0% BB Universal Bond Index, 3% T-bills From 9/01/20 - 11/30/20: 40% Russell 3000 Index, 22% MSCI ACWI ex US IMI (Net), 35.0% BB Universal Bond Index, 3% T-bills Prior to 8/31/20: 38% Russell 3000 Index, 20% MSCI ACWI ex US(Net), 39.0% BB Universal Bond Index, 3% T-bills

Mr. Gooderham reported that the Committee had met once since the April Board meeting, on May 18th. At that meeting, Mr. Gooderham reported that the Committee reviewed and discussed:

- A presentation by Orbis on their International Equity Strategy
- The first quarter 2021 Investment Review
- An asset allocation review

He said that there were no approvals by the Committee at the meeting.

The next meeting of the Committee is scheduled for Tuesday, June 8th, 2021.

MOTION made by H. Stafford and seconded by A. Agra to enter into Executive Session to consider pension personnel matters, confidential medical records, legal matters, sensitive commercial trade secrets and confidential financial information.

MOTION ADOPTED UNANIMOUSLY

The Board then moved into Executive Session to discuss pending personnel matters, confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION made by H. Stafford and seconded by A. Agra to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

9. **NEW BUSINESS**

There was no new business.

10. **ADJOURNMENT**

At 10:42 a.m., there being no further business, **MOTION** was made by H. Stafford and seconded by A. Agra to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

Joanna M. Adams

Joanna M. Adams (Jun 28, 2021 16:07 EDT)

Joanna M. Adams
Pension Administrator

Suzanne B. Grant

Suzanne B. Grant (Jun 30, 2021 06:39 EDT)

Suzanne B. Grant, Chair
Board of Pension Trustees

5-21-21 Public Minutes

Final Audit Report

2021-06-30

Created:	2021-06-25
By:	Jamie Mayan (jamie.mayan@delaware.gov)
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